GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:3481
ANSWERED ON:26.04.2007
OCCUPANCY RATE OF NATIONAL AND PRIVATE AIR CARRIERS
Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the occupancy rate of national air carriers is lower than that of the private airlines;

(b) if so, the reasons therefor;

(c) how private airlines are able to provide discounted rates of fares lower than that provided by the national carriers; and

(d) the concrete steps taken/proposed to be taken by the Government to increase the occupancy rate of the national air carriers?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a) and (b):- Air India`s seat factor was 71% in 2006-07. Indian Airlines domestic seat factor in March, 2007 was 71.8% which compared favourably to other private domestic airlines.

(c): Airfares are not regulated by the Government. Domestic airlines are free to charge airfares based on their business and pricing models.

(d): Indian Airlines has taken various marketing and sales efforts to improve its carriage and thus its passenger load factor. These include upgrade of aircraft equipment/ increase in frequency on various routes, special promotional fares and schemes for various segments, dynamic inventory management, expansion of Indian Airlines`s distribution network, increased access to IA inventory, upgrade of inflight product to include inflight entertainment on the new fleet, and initiatives in inflight service etc.

Air India has also taken steps like ordering 68 Boeing Aircraft, refurbishment of existing fleet, installing of flat beds in first class and sluemberettes in executive class, leasing of 20 aircraft to augment fleet strength, launching of low cost carrier, Air India Express, improvement of schedules, introduction of non-stop flight to London, Bermingham, Toronto etc., introduction of facilities like kerbside checking, lounge and special handling facilities, advance check-in, city check-in, option of e-ticketing on selected routes, special student fares, special fares for seamen traffic etc. Air India also offers facilities like Maharaja Club, Leading Edge Club, Frequent Flier Programme etc. to retain loyalty and lock in frequent travellers. Government has also taken a decision to merge Air India and Indian Airlines to optimise networks, expand georgraphic coverage and to increase economies of scale in utilization of fleet, ground facilities etc.